

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Nov. 20, 2013

Nov. 20, 2013 — The IRS defense company [TaxAudit.com](#) has released its annual end-of-year tax tips for U.S. taxpayers. The company represents about 20,000 taxpayers each year during income tax audits.

Reminders for fourth quarter tax planning:

- **Know your tax rate:** While ordinary federal income tax rates for 2013 will remain the same, the fiscal cliff legislation passed earlier this year affects higher-income individuals and puts them in the 39.6% tax bracket (up from 35%).
- **Consider leveraging itemized deductions** by bunching deductible expenditures every other year, while taking the standard deduction in intervening years.
- **Consider deferring income** if you expect to be in the same or lower tax bracket for 2014.
- **Consider the tax impact of selling appreciated securities** by timing your investment gains and losses. Selling some loser securities before year end may also be a smart tax strategy.
- **Take advantage of the special tax breaks** available to you if you make charitable contributions directly from your IRA; special rules apply.
- **Remember that significant lifestyle changes** like divorce, a job change, retirement or becoming a home buyer affect your taxes.
- **Spend down flexible spending accounts** before those balances expire.
- **Go green:** Purchasing energy-efficient appliances can mean big tax credits.
- **Changes to IRS tax laws effective for 2013** – know which changes affect you:

Rules for home office deductions have also changed. New this year is a simplified option for a maximum standard \$1,500 deduction. Also, rules for depreciation have changed, many refundable credits are disappearing, and a new 3.8% Medicare

Investment Tax and a 0.9% Medicare Health Insurance Tax will affect many higher-

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- Above-the-line deduction for qualified tuition and related expenses.
- Deduction for mortgage insurance as qualified interest.

For businesses:

- Research and experimentation tax credit.
- Work opportunity tax credit.
- Increase in expensing to \$500k/\$2M and expansion of definition of \$179 property.
- 15-year straight-line cost recovery for qualified leasehold, restaurant and retail improvements.

Note that these tips are best taken advantage of in consultation with a tax professional such as a CPA or EA.

Income Tax • IRS • Taxes

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE

Sponsors.

© 2024 Firmworks, LLC. All rights reserved